

EXHIBIT 6



Berryman
426 N.W. 5TH
Oklahoma City, OK 73102
Off: (405) 235-4646
Fax: (405) 235-3311
[Email: mberryman@berrymanokc.com](mailto:mberryman@berrymanokc.com)

October 8, 2015

Erin Rooney
Pignato, Cooper, Kolker, & Roberson
119 North Robinson Avenue, 11th Floor
Oklahoma City, Oklahoma 73102

**Re: Maverick Mart, LLC,
Plaintiff**
v.
**North Star Mutual Insurance Company,
Defendant**
United States District Court
Western District of Oklahoma
Case No. CIV-14-1165-F

Dear Mr. Rooney:

The following report details to date my pertinent observations, opinions and conclusions and can be changed only in writing by the undersigned. My opinions are based upon my review of the documentation provided to me. In forming my opinions I utilized my thirty-seven (37) years of experience as a construction general contractor as well as my formal education, training and knowledge previously acquired. I reserve the right to supplement this report to address additional information made available to me and to provide illustrative exhibits at a later date.

DOCUMENTS REVIEWED

- 2/21/14 report
- 4/16/14 report
- 5/06/14 report
- Claim notes
- Meridian's claim photos
- Statement of loss

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- TRC estimate
- Photos
- Photos of re-inspection pitch and ponding
- 2014 7-19-2246 Internal TAM
- Deposition of Sonny Calvin Spoon taken 7/17/15
- Deposition of Mirza Asif Beg taken 7/30/15
- Documents of the property by FNB
- Plaintiff's Expert Witness list
- Exhibit 3 (Vertex Roofing)
- Exhibit 1 (Thomas Miller P.E. CV, estimate of work, photo catalog DSC_0727-DSC0875, P8270013-P8270020, BuildFax Property Summary, NOAA reports and Vertex Roofing photos)
- Exhibit 3 (OSHA rules & regulations, Thomas Miller P.E. inspection report)
- Eagle View Aerial Measurement, 7421 S Pennsylvania Avenue
- NOAA weather report, 5/31/13

QUALIFICATIONS

I have been a general contractor since 1978 and have performed numerous property restoration projects for owners whose building structures have sustained damages caused by storm activity. I routinely examine structures for the extent and cause of sustained damages and submit construction proposals to the public for a property's restoration. In the regular course of business I estimate the construction cost and outline the scope of work that is an integral part of my firm's offers to contract for needed property restoration. I interface with insurance professionals in the course of business and have developed a keen understanding of the customary means, methods and pricing for the restoration of damaged real property.

BACKGROUND

Mirza Beg, the property owner of Maverick Mart (MM), located at 7421 South Pennsylvania Avenue, Oklahoma City, Oklahoma filed an insurance claim with North Star Mutual Insurance Company (NSMIC) on or about 2/21/14 under the insurance policy #BP17319. The reported date of loss was May 31, 2013. NSMIC assigned claim #14-4221-WB to the loss event and retained Meridian Claim Service (MCS) to inspect and estimate the storm damages. MCS inspected the property on April 1, 2014. Other relevant background information includes:

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1. The MCS letter dated 2/21/14, indicates the claim was filed on or about that time period, almost nine (9) months after the date of loss.¹
2. Mirza Beg hired InsuranceBusters.net (IBN), a public adjustment firm, on 12/26/13 to represent him.² Cal Spoon, a representative of IBN, was present during MCS's inspection on 4/1/14.
3. Previously on March 25, 2014, IBN provided an estimate, dated 3/25/14, to MCS. The damage estimate totaled \$176,123.74.³
4. MCS estimated \$54,506.64 for damages to the main building, \$11,794.32 for damages to the canopies and \$3,106.72 for damage to the car wash. The estimates were dated 5/6/14.⁴
5. MCS retained Mr. Ralph Thomas, a building consultant with TRC Disaster Solutions, to inspect the property for storm damages. Thomas visited the site on 4/9/14 and provided a \$69,407.68 damage estimate, dated 5/2/14.⁵ MCS adopted the TRC estimate.
6. The Plaintiff filed suit on May 19, 2014.
7. A report dated 7/28/14, including a property damage estimate for the Maverick Mart structures, was created by Vertex Roofing and Construction, LLC (Vertex). The estimate totaled \$299,707.47.
8. Tom E. Miller, P.E., Structural Engineering and Inspections, Inc. (SEI), issued a report dated 9/16/15.⁶
9. No restoration work has been completed and no contractor has been selected by the Owner.

ISSUE

The Plaintiff in this matter claims that North Star Mutual Insurance Company underestimated the cost to repair the storm damages and that, instead, the Vertex estimate for \$299,707.47 accurately reflects the cost to restore the damages to the subject building structures. I reviewed the documents outlined above, conducted a site visit and photographed the property on 10/1/15 in order to form opinion(s) concerning:

¹ Maverick/NS0373

² Cal Spoon Deposition, page 6, lines 18-19

³ Maverick/NS0336-0348

⁴ Maverick/NS 0092-0098

⁵ Maverick/NS0099-0107

⁶ Tom E. Miller report, dated 9/16/15, pages 1-57.

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1. The nature and extent of the storm damages as well as the extent of the restoration work completed by the Plaintiff.
2. The reliability of IBN's \$176,123.76 estimate, dated 3/25/14.
3. The reliability of the 7/28/14 property damage report/estimate submitted by Vertex, totaling \$299,707.47.
4. The reliability and adequacy of TRC's \$69,407.68 damage repair estimate, subsequently adopted by North Star.
5. The reliability of the report authored by Tom Miller, P.E.

DESCRIPTION

The Maverick Mart property, located at 7421 S. Pennsylvania Avenue, Oklahoma City, Oklahoma consists of four structures: a main building with an attached storage shed; two gas station canopies; and a car wash. The main building structure appears to be a steel framed masonry structure typical of gas station and convenience store construction. The exterior cladding of the structure is a combination of painted split face block masonry veneer with metal panel fascia. The roof covering of the main building utilizes a modified bitumen roof membrane. The main structure is deemed to face east for the purposes of this report.



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The main building of the subject property has an attached, "lean-to" storage shed at the rear. The shed has a corrugated metal roof and painted wood siding as an exterior cladding.



The car wash is a single level building clad with painted metal panels. The roof system is an EPDM (ethylene propylene diene monomer) roofing membrane.



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The fuel canopies were constructed with pre-engineering metal structural beams, purlins and metal roof decking. The four elevations were clad with a pre-manufactured, painted metal fascia panels.



SUMMARY OF OPINIONS

Opinion #1: I observed varying degrees of storm damages at the convenience store main building and the attached lean-to storage building. I also noted limited impact damage to the carwash roof and the metal fascia panels of the two (2) fuel canopies. The work estimated and the funds paid by North Star have not been used to restore the property.

Opinion #2: The InsuranceBuster.net estimate, dated 3/25/14, contains inaccuracies that cause it to be higher than what actually will be required to address the damages caused by hail. It is overstated and unreliable for determining the proper scope of work and cost to restore the property.

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Opinion #3: *The Plaintiff in this matter submitted a damage estimate provided by Vertex, totaling \$299,707.47. The Vertex scope of work is excessive. The estimate is woefully inaccurate and without merit as it is inflated and misrepresents what will actually be required to restore storm damages. Regardless, the estimate would not be viable in the competitive marketplace.*

Opinion #4: *The conclusions formed by Miller lack proper basis and foundation. His photographs fail to support his opinions and in some instances actually disprove them.*

Opinion #5: *North Star engaged TRC to inspect the property and submit an estimate to restore the storm damages. This is a common industry practice. TRC is recognized as an experienced and competent restoration contractor and has the capability to perform the work estimated. North Star adopted TRC's estimate of \$69,407.68. I believe the damage estimate provided an adequate sum to address the storm damages I observed.*

BASIS OF OPINIONS

Opinion #1: *I observed varying degrees of storm damages at the convenience store main building and the attached lean-to storage building. I also noted limited impact damage to the carwash roof and the metal fascia panels of the two (2) fuel canopies. The work estimated and the funds paid by North Star have not been used to restore the property.*

1.1 The roof system and related roof top appurtenances of the property's main building suffered hail damage. There is evidence of impact damage and extensive loss of granulation resulting from impact. The following items were damaged and have yet to be repaired.

- Modified bitumen roof and underlying perlite insulation
- Associated roof jacks, pitch pans and parapet/cap flashings
- Cooling coils on three (3) roof top HVAC units
- Cooling fin combing on one (1) roof top HVAC unit

I noted no hail or other storm damage to the exterior wall surfaces of the main building. The paint on the CMU exterior walls was not compromised. The exterior metal fascia panels were not dented or otherwise affected by hail or storm activity.

1.2. The lean-to storage shed attached to the west elevation of the main building revealed evidence of damages caused by hail. The following roof components and the exterior siding have been damaged, but not yet repaired:

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- Replacement of the corrugated metal roof system
- Scrape, prep and repainting of the exterior wood siding

1.3. The car wash building's EDPM roof membrane exhibited localized damage caused by mechanical impact, possibly from the dislodged fascia panels on the west elevation. This can be repaired and did not necessitate the replacement of the entire roof system.

- The roof membrane system was not damaged by hail. The roof system showed significant signs of wear and age deterioration that included open, unwelded seams and detached flashings.
- The exterior wall surfaces of the structure were not storm damaged and did not need re-painting. The extruded plastic exterior signage was not damaged.
- Approximately 22 LF of metal fascia panels were dislodged at the west elevation of the structure. These panels need to be replaced.
- Three (3) polycarbonate light lenses at the wall pack exterior lighting units were broken and needed replacement.
- The work estimated by North Star has not been performed.

1.4. The metal fascia panels at the north fuel canopy exhibited minor dents caused by hail at the portions of the west and south elevations, only. The north and east elevations showed no evidence of hail impact. The metal deck of the canopy, the canopy columns and the canopy signage were not damaged. The dented fascia panels, although estimated by North Star, have not been addressed.

1.5. The metal fascia panels at the north, east and south elevations of the south fuel canopy revealed some hail damages. These panels can be removed and replaced. The metal deck of the canopy, the canopy columns and the canopy signage were not damaged. While there was evidence of hail "splatter" at the metal deck, I was able to remove this oxidation to better expose the panel surface and reveal no damage.

Opinion #2: *The InsuranceBuster.net estimate, dated 3/25/14, contains inaccuracies that cause it to be higher than what actually will be required to address the damages caused by hail. It is overstated and unreliable for determining the proper scope of work and cost to restore the property.*

2.1. IBN included in their estimate items that were not hail damaged. Although not intended to be an exhaustive recount, examples include:

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- Replacement of metal roofing at the south and east fuel canopies
 - Flashing at the parapet walls of the south and east fuel canopies
 - Cleaning and painting the exterior walls of the carwash
 - Steam cleaning and painting of the exterior masonry walls of the main building
 - Roof drain system at the fuel canopies, main building and carwash
 - OSB replacement at the main building and carwash.
 - Replacement of insulated metal panels at the main building
- 2.2.** IBN included the replacement of 1.5" isocyanurate rigid insulation at the roof of the carwash when same does not exist at the property.
- 2.3.** Some other components in the IBN estimate are unnecessary to accomplish the restoration of storm damage. Several examples include:
- Permit fees
 - Remove/reset LAM-Indirect metal halide lights at the fuel canopies
 - Detach and reset of electrical conduits at the fuel canopies
 - Replace natural gas line at the main building
- 2.4.** IBN sometimes used overstated quantities for building components that were hail damaged. This artificially increased their estimate. Although not an exhaustive listing, examples include:
- Replacement of 420 SF of insulated metal panel at the south fuel canopy
 - Replacement of 450.13 SF of insulated metal panel at the east fuel canopy
 - Remove/reinstall four (4) cameras at the main building (only three (3) cameras exist)
 - Rental of a boom lift for thirty (30) days
- 2.5.** IBN formulated their estimate using add-ons of 15% for overhead and an additional 15% for profit. This is higher than market standard and excessive. The industry standard mark-up for the needed restoration scope of work is 10% for overhead and 10% for profit, a total of 20%.

Opinion #3: *The Plaintiff in this matter submitted a damage estimate provided by Vertex, totaling \$299,707.47. The Vertex scope of work is excessive. The estimate is woefully inaccurate and without merit as it is inflated and misrepresents what will actually be required to restore storm damages. Regardless, the estimate would not be viable in the competitive marketplace.*

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3.1. Vertex includes \$35,115.15 under the estimate heading of “Dwelling”, apparently for the general administration of the necessary restoration work. Several estimate line items under this heading are unnecessary and contrary to industry standard considering the characteristics of the tasks needed to address storm damage at the property. Some of these costs are not applicable, some are excessive and others, while they may be applicable, cover tasks that a contractor routinely provides in the regular course of work without an additional estimate cost line item. Examples include:

- Administrative supervisor, pre-construction inspection
- Administrative supervisor, claim review with carrier representative
- Jobsite inspection with subcontractors
- Bid preparation/review with client
- Pre-construction permit/safety plan
- On-site general contractor’s supervision. Vertex includes 337.79 hours for General Contractor’s supervision (\$30,587.55). This is excessive because as one considers: the necessary scope of work; the lower complexity of the work; and the minimal phasing or coordination of subcontractors--this appropriation is contrary to industry standards and market forces at play.
- Post-construction inspection
- Administrative supervisor: project completion tasks

3.2. Vertex included the cost of “taxes, insurance, permits and fees” (\$2,706.00). These costs are already a part of the Xactimate estimate and the City of Oklahoma City will not require a building permit for the restoration of the storm damages.

3.3. Vertex included in their estimate items that were not hail damaged. Although not intended to be an exhaustive recount, examples include:

- Complete replacement of the south and east fuel canopies. This would include the framing systems, roof panels and fascia panels.
- Cleaning and painting the exterior walls of the carwash
- Steam cleaning and painting of the exterior masonry walls of the main building
- Roof drain system at the main building and carwash
- Oriented Strand Board replacement at the carwash.
- Replacement of insulated metal panels at the main building
- Steam cleaning and painting of the exterior masonry walls of the main building
- Roof drain system at the fuel canopies, main building and carwash
- Sandblasting/re-painting at the fuel canopies

3.4. The Vertex estimate includes other components and equipment that are unnecessary to accomplish the required property restoration. Several examples include:

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- Remove/reset LAM-Indirect metal halide lights at the fuel canopies
 - Detach and reset of electrical conduits at the fuel canopies
 - Replace natural gas line at the main building
 - Erection and dismantling of scaffolding main building and carwash
 - “General labor” at the main building, carwash and fuel canopies
 - Rental of a boom lift for thirty (30) days
 - Replacement of 2,824 SF of metal roofing at the main building
 - Replacement of 1.5” isocyanurate rigid insulation at the carwash when same does not exist at this structure.
- 3.5.** Vertex also overstated quantities of building components that were hail damaged. This artificially increased their estimate. Although not an exhaustive listing, examples include:
- Replacement of parapet wall flashing at the main building when same is already calculated in the area of the modified bitumen to be replaced
 - Replacement of a 4th HVAC roof top unit when the fins of same can be “combed” in a conventional manner.
 - Overestimating the size of the roof membrane needing replacement. Eagle View satellite imagery indicates 27.90 Squares of surface (with an appropriate waste factor), including the parapet wall—not the 31.06 Squares calculated by Vertex.
- 3.6.** Vertex includes additional charges for fall protection devices. These items, when required for employee safety, are commonly provided by the entity performing the work in the usual course of business. Except in unusual situations, it is contrary to standard practices for there to be an additional charge in the estimate for standard items needed to accomplish the work safely.
- 3.7.** Vertex includes the use of a debris chute/hopper, and labor to install/disassemble same, when use of this feature is not customary for roof system replacement on a single level structure.
- 3.7.** Vertex is duplicative as it included additional charges for “general clean-up” hours for workmen. The individual Xactimate line items already provide for the demolition of the named component and its transport to a trash receptacle. Vertex unnecessarily estimated an additional \$6,125.92 for “general clean-up”.
- 3.8.** Vertex added the installation of temporary fence at all four structures—the main building, the fuel canopies and the carwash. This is excessive, and unnecessary considering the work that actually needs to be done.

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- 3.9. Vertex added \$8,702.48 for “containment posts/barriers” so the metal columns at the fuel canopies could be sandblasted and painted. There is no evidence that the columns were damaged or even impacted by hail. This appropriation is unwarranted.
- 3.10. Based upon my direct experience in the property restoration marketplace, I believe the Vertex estimate is fraught with so many unnecessary line items of mistakenly anticipated costs that it could not be competitive as a bid proposal for work in the open market.

Opinion #4: *The conclusions formed by Miller lack proper basis and foundation. His photographs fail to support his opinions and in some instances actually disprove them.*

4.1. Miller's photographs do not support the replacement of all HVAC units at the main building. His claim that the interior leaks were caused by hail damage roof is mis-guided. Typically, only on occasion does hail damage damage a roof to the point that it causes it to leak. Miller ignores the open seams and other wear and age defects that have allowed water to enter the building.

4.1.1. His photographs of the exterior painted surfaces do not show hail damage but instead show the expected signs of wear and tear.

4.2. He provides no photographs to support his conclusion that the metal roofs of the fuel canopies were damaged by hail. Although his photos fail to show it, the roof panels only show signs of “hail splatter” to the oxidation on the metal surface. This can be removed to reveal no hail damage below.

4.3. His photographs of the car wash roof show there is no evidence marks or marring to the EDPM membrane indicative of hail damage. He instead points to a few cuts in the roof membrane. The nature and shape of the cuts suggest they were caused by mechanical impact, perhaps by the metal panels that were dislodged at the west elevation.

Opinion #5: *North Star engaged TRC to inspect the property and submit an estimate to restore the storm damages. This is a common industry practice. TRC is recognized as an experienced and competent restoration contractor and has the capability to perform the work estimated. North Star adopted TRC's estimate of \$69,407.68. I believe the damage estimate provided an adequate sum to address the storm damages I observed.*

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- 5.1. Oftentimes, an insurance carrier will engage the services of a restoration contractor/consultant as an experienced, outside third party to assist in the evaluation of damages and market pricing to restore the damages. North Star engaged TRC in this manner.
- 5.2. TRC is known to me as a competent restoration contractor and I believe TRC has the requisite knowledge and experience to examine structures for hail damage and submit an appropriate estimate to restore observed damages.
 - 5.2.1. TRC utilized Xactimate, a software estimating program with which I am familiar and use in the regular course of business.
 - 5.2.2. The Xactimate unit pricing database TRC used in their estimate was correct for the time period in which the estimate was formulated, OKOC7X(APR14).
 - 5.2.3. The sales tax rate used by TRC, 8.375%, was accurate for the Oklahoma City location of the Plaintiff's property.
 - 5.2.4. The estimate add-ons for overhead (10%) and profit (10%), applied in a non-compounded method, comport with my experience as a restoration contractor and the proper use of the Xactimate program.
 - 5.2.5. TRC overestimated the quantity of metal fascia panels damaged by hail at the east fuel canopy, 252 square feet and underestimated the quantity of metal fascia panels at the south canopy; however, overall the total quantity of panels was overestimated at 102 square feet. This caused the TRC estimate to be approximately \$2,300 higher than necessary.
 - 5.2.6. TRC underestimated the number of metal vent caps at the car wash building. There were (4) 8" metal caps damaged by hail.
- 5.3. Adding the cost of the vent caps would be considerably less than the \$2,300+ overage TRC estimated on the fuel canopy metal fascia panels. Based upon file documentation and my site inspection, I believe that the estimate sum of \$69,407.68 established by TRC, and subsequently adopted by North Star, is sufficient to address the storm damages that occurred at the Plaintiff's property.

I understand that discovery is in progress and I reserve the right to supplement this report to address additional information made available to me and to provide illustrative exhibits at a later date. Please find attached as a part of this report my current Curriculum Vitae which lists all cases in which I have

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given testimony, both at deposition and trial over the last four (4) years. It establishes my qualifications and my compensation.

Sincerely,



Michael J. Berryman
BERRYMAN ENTERPRISES, INC.

15-07-13E.Report